
US EXECUTIVE APPROVAL FORM**Family Dollar****PARTNER/VAD NAME:****SECTION I - Approval Requests:****HQAPP Requests:**

1. Request 80% discount for OAB and Self-Service HR. (E-Business + 55%).
 - Client now wants to purchase 30,000 OAB licenses and 10,000 Self-Service HR licenses. Previous proposal had a 65% discount with License at \$463,750; Support \$102,025. New deal License is at \$310,000; Support \$68,200.
2. Price hold for incremental licenses for OAB and Self Service HR with years 1-3 at 80% discount, year 4 at 70% discount and year 5 at 60% discount.

Request Q4 reapproval of all previously approved issues to go with the above pricing modifications

3. Client requests the use of Full Time Equivalent (FTE) metric to calculate the number of full time employees for the purchase of OAB licenses. This metric was used in the client's 1998 Oracle contract to purchase HR and Payroll licenses; ref SLISA - May-98. The number of OAB licenses for FTEs (30,000) for this deal will match the FTE number of existing licenses for Oracle HR and Payroll.
 - Full Time Equivalent is defined in the 1998 OD as the sum of (a) and (b) below:
 - (a) For hourly employees, the number of employees is the total number of Full Time Equivalents ("FTE"), calculated as follows: the total FTE is the total number of hours worked by all of Customer's hourly employees during the previous 12-month period divided by 2080 (number of hours in year).
 - (b) For salaried employees, the number of employees for the calendar year is the sum the total number of people who are salaried employees of Customer at the end of each calendar quarter and divided by four.
4. Flat line technical Support for renewal years 2 and 3.

Justification for the additional discount and reapproval request:

This deal was approved in Q3 at a 65% discount and did not close due to price. The additional discount is needed to now win in Q4. Also, the price for the Self Service product went up on the 3/24 price list. Consequently, the new discount being requested takes into consideration the higher price and the higher discount needed. Family Dollar is a low cost retailer with many part time employees and the previous net price in February did not give them the ROI needed to move forward based on the amount of benefits they pay out.

Previously approved requests: 2-26-03:

1. Price hold for incremental licenses for OAB and Self Service HR with years 1-3 at a 65% discount, year 4 at 55% discount and year 5 at 45% discount.



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2. Client requests the use of Full Time Equivalent (FTE) metric to calculate the number of full time employees for the purchase of OAB licenses. This metric was used in the client's 1998 Oracle contract to purchase HR and Payroll licenses; ref SLSA – May-98. The number of OAB licenses for FTEs (30,000) for this deal will match the FTE number of existing licenses for Oracle HR and Payroll.

- Full Time Equivalent is defined in the 1998 OD as the sum of (a) and (b) below:
- (c) For hourly employees, the number of employees is the total number of Full Time Equivalents ("FTE"), calculated as follows: the total FTE is the total number of hours worked by all of Customer's hourly employees during the previous 12-month period divided by 2080 (number of hours in year).
- (d) For salaried employees, the number of employees for the calendar year is the sum the total number of people who are salaried employees of Customer at the end of each calendar quarter and divided by four.

3. Flat line technical Support for renewal years 2 and 3.

Previous Tier 1

1. Request 65% discount for OAB and Self-Service HR. (E-Business + 40%). Client now wants to purchase 30,000 OAB licenses and 5,000 Self-Service HR licenses. Previous deal, had License at \$262,500; Support \$57,750. New deal License is at \$463,750; Support \$102,025.

1. Previously approved requests (include date of approval- 1/13/03 and 10/30/02):

1. This is approved by LJE. Please be sure to add the restrictions noted by Joel. (10/30/2002)
2. Modify the "Person" metric for Oracle Advanced Benefits so as to only include employees that are eligible for benefits (10,000 out of 35,000 are eligible)
3. Modify the "Person" metric for Self-Service HR so as to only include employees that currently have connectivity. (5,000 out of 35,000)

Joel Summers (SVP HR product development) has approved the changes to the standard metrics provided the modified definitions include an affirmative statement such as "the customer shall ensure that all individuals with **benefits programs managed by the system are licensed**" (or something to that effect) so as to clarify that as they grow they have to purchase additional licenses.

4. Hold 50% discount for 2 years for incremental licenses for OAB and SS HR.

5. 50% discount for OAB and Self-Service HR.(E-Business + 30%)

SECTION II – Previous Deal Summaries:

	Deal Summary on 2/26/03	Deal Summary as of April 22, 2003
Programs	<ul style="list-style-type: none"> • 30,000 Advanced banefits • 5,000 Self-Service HR 	<ul style="list-style-type: none"> • 30,000 Advanced Benefits • 10,000 Self Service HR
License Discount	65% (ebiz + 40 %)	80 % (ebiz + 55 %)
Support Discount	65% (ebiz + 40 %)	80 % (ebiz + 55 %)
Support Options/Holds	3 year flatline	3 year flat line (previously approved)
Price Holds	5 year price hold with varying discounts	5 year price hold with varying discounts: year 1-3 80% -year 4 70% - year 5 60%
List License	\$1,325,000	\$1,450,000

List Support	\$ 291,500	\$319,000
Net License	\$ 463,750	\$310,000
Net Support	\$ 102,025	\$68,200
Net Total Price	\$ 565,775	\$378,200
Price List Used	January 3, 2003	March 24, 2003

Customer History - Existing Price Holds	
Existing contractual discount (price hold)	NONE
Date of Price List for price hold	NONE
When does price hold expire?	NONE
Price hold program categories (database, server, erp, crm, hr/payroll, app suite)	NONE
Name of Agreement if applicable	

SECTION III – Previous Justifications:

Family Dollar is a discount retailer with 5,000 stores. They are growing at a rate of 600 new stores/year. Currently they have 35,000 employees, with an expectation of 65,000 in five (5) years.

1. Client wants to licence OAB only for employees that are eligible for benefits (10,000 out of 35,000 are eligible) Family Dollar currently offers benefits to approximately 10,000 employees. They are planning to offer benefits to a larger portion of their employee population, which will increase Oracle's future revenue.
2. Client wants to license Self-Service HR only for employees that currently have connectivity. (5,000 out of 35,000) Family Dollar currently only has 5,000 employees who have connectivity to access Self-Service HR. This number is expected to increase as planned store connectivity will boost the number of employees accessing Self-Service. This in turn will increase Oracle 's future revenue.

Rather than approaching this issue with high discounts, the account team would prefer to protect future revenue opportunities by modifying the metric to include only then employees who are actually using the system.

The past relationship with this account has been strained for various reasons. (e.g. Oracle sold them Retek apps) They have not purchased any incremental Oracle applications since the original contract, in 1998. As a result of recent management changes, a number of the key managers have PeopleSoft experience. Despite this fact, we have been successful in creating significant support for the Oracle OAB and Self-Service HR. We want to capitalize on this momentum now.

Family Dollar received a discount of 60% with the original contract. They had an addendum, which granted them a 50% discount on incremental licenses and new applications. (expired May, 2001)

We are engaged in several sales cycles to sell them a number of other Oracle applications in the next 8 months.

Recommendation: approve since this is retail

Submitted By: (Bo Chriscoe, ASM Steve Wellen AVP, Lanier, Runk

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